|  |  |  |
| --- | --- | --- |
| Page 1 Front Page  Page 2 Stocks & Bonds  Page 3 Financial Summary  Page 4 Production Analysis | Page 5 Thrift Segment Analysis  Page 6 Core Segment Analysis  Page 7 Nano Segment Analysis  Page 8 Elite Segment Analysis | Page 9 Market Share Page 10 Perceptual Map Page 11 HR/TQM Report |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Annual Report Andrews | Annual Report Baldwin | Annual Report Chester | Annual Report Digby |  |

### PRINT

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|  | Top |
| " |  |

**Round: 2**

**Dec. 31, 2015**

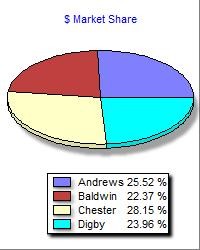
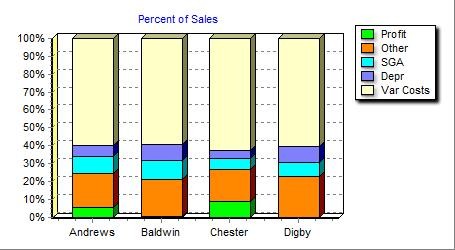
Student: Efren Escoto

***EsEcfroeton***

###### Andrews

Efren Escoto

###### Baldwin Chester



**Digby**

**Selected Financial Statistics**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Andrews** | **Baldwin** | **Chester** | **Digby** |
| **ROS** | 6.0% | 0.6% | 9.1% | -0.8% |
| **Asset Turnover** | 1.10 | 0.69 | 1.25 | 0.73 |
| **ROA** | 6.6% | 0.4% | 11.4% | -0.6% |
| **Leverage (Assets/Equity)** | 1.7 | 2.5 | 1.9 | 2.9 |
| **ROE** | 11.2% | 1.0% | 22.3% | -1.7% |
| **Emergency Loan** | $0 | $0 | $0 | $0 |
| **Sales** | $160,547,759 | $140,706,366 | $177,076,547 | $150,730,295 |
| **EBIT** | $20,702,998 | $15,517,792 | $31,740,664 | $13,980,967 |
| **Profits** | $9,586,140 | $796,755 | $16,169,854 | ($1,220,875) |
| **Cumulative Profit** | $14,326,212 | $4,529,356 | $29,192,092 | $3,361,271 |
| **SG&A / Sales** | 10.2% | 12.1% | 6.9% | 9.1% |
| **Contrib. Margin %** | 35.6% | 34.4% | 33.6% | 32.8% |

***COMP-XM® INQUIRER* Page 1**

**Stocks & Bonds Efren Escoto**

Round: 2

December 31 , 2015



##### Stock Market Summary

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company** | **Close** | **Change** | **Shares** | **MarketCap ($M)** | **Book Value** | **EPS** | **Dividend** | **Yield** | **P/E** |
| Andrews | $60.44 | ($9.85) | 2,050,942 | $124 | $41.80 | $4.67 | $0.00 | 0.0% | 12.9 |
| Baldwin | $34.33 | ($9.79) | 2,675,670 | $92 | $30.13 | $0.30 | $0.00 | 0.0% | 114.9 |
| Chester | $80.51 | $13.92 | 1,915,875 | $154 | $37.89 | $8.44 | $0.00 | 0.0% | 9.5 |
| Digby | $26.71 | ($11.09) | 2,882,967 | $77 | $24.49 | ($0.42) | $0.00 | 0.0% | -63.2 |

**Bond Market Summary**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company** | **Series#** | **Face** | **Yield** | **Close$** | **S&P** |
| **Andrews** | 11.2S2020 | $8,837,000 | 11.4% | 97.83 | BBB |
|  | 11.9S2021 | $7,072,000 | 11.9% | 100.41 | BBB |
|  | 10.9S2024 | $12,000,000 | 11.5% | 95.17 | BBB |
|  | 11.0S2025 | $13,000,000 | 11.5% | 95.44 | BBB |
| **Baldwin** | 11.2S2020 | $8,632,724 | 12.3% | 91.03 | CC |
|  | 12.4S2021 | $5,825,802 | 13.1% | 94.53 | CC |
|  | 12.0S2023 | $15,610,279 | 13.1% | 91.59 | CC |
|  | 12.6S2024 | $17,788,546 | 13.4% | 94.02 | CC |
|  | 13.1S2025 | $34,902,738 | 13.6% | 96.32 | CC |
| **Chester** | 11.1S2022 | $2,509,600 | 11.9% | 93.28 | B |
|  | 11.2S2023 | $5,662,814 | 12.0% | 93.19 | B |
|  | 11.5S2024 | $1,377,976 | 12.2% | 94.27 | B |
|  | 11.6S2025 | $18,600,072 | 12.3% | 94.49 | B |
| **Digby** | 11.3S2020 | $10,417,600 | 12.5% | 90.09 | C |
|  | 12.5S2021 | $14,665,611 | 13.4% | 93.42 | C |
|  | 12.5S2022 | $7,963,435 | 13.5% | 92.75 | C |
|  | 12.5S2023 | $9,569,958 | 13.6% | 92.17 | C |
|  | 12.9S2024  13.4S2025 | $14,262,838  $28,649,980 | 13.8%  14.0% | 93.62  95.86 | C C |

**Next Year's Prime Rate 8.50%**

***COMP-XM® INQUIRER* Page 2**



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial Summary** |  | Efren Escoto |  | Round: 2  December 31, 2015 |
|  | | | | |
| **Cash Flow Statement Survey** | **Andrews** | **Baldwin** | **Chester** | **Digby** |
| **Cash flows from operating activities** |  |  |  |  |
| Net Income (Loss) | $9,586 | $797 | $16,170 | ($1,221) |
| Adjustment for non-cash items: |  |  |  |  |
| Depreciation | $10,846 | $13,224 | $8,217 | $14,367 |
| Extraordinary gains/losses/writeoffs | ($965) | $0 | $0 | $0 |
| Changes in current assets and liabilities: |  |  |  |  |
| Accounts payable | ($31) | $864 | $2,121 | ($1,204) |
| Inventory | $5,097 | $2,948 | ($8,546) | $8,042 |
| Accounts receivable | ($1,087) | ($1,947) | ($1,881) | $95 |
| Net cash from operations | $23,447 | $15,885 | $16,081 | $20,078 |
| **Cash flows from investing activities** |  |  |  |  |
| Plant improvements (net) | ($29,448) | ($53,460) | ($29,300) | ($37,940) |
| **Cash flows from financing activities** |  |  |  |  |
| Dividends paid | $0 | $0 | $0 | $0 |
| Sales of common stock | $0 | $18,534 | $2,360 | $9,609 |
| Purchase of common stock | $0 | $0 | $0 | $0 |
| Cash from long term debt issued | $13,000 | $34,903 | $18,600 | $28,650 |
| Early retirement of long term debt | $0 | $0 | $0 | $0 |
| Retirement of current debt | $0 | ($21,710) | ($13,971) | ($25,277) |
| Cash from current debt borrowing | $0 | $21,955 | $19,361 | $30,185 |
| Cash from emergency loan | $0 | $0 | $0 | $0 |
| Net cash from financing activities | $13,000 | $53,682 | $26,349 | $43,167 |
| **Net change in cash position** | $6,999 | $16,108 | $13,130 | $25,305 |
|  | | | | |
| **Balance Sheet Survey** | **Andrews** | **Baldwin** | **Chester** | **Digby** |
| Cash | $17,450 | $35,643 | $32,587 | $50,770 |
| Accounts Receivable | $13,196 | $11,565 | $14,554 | $12,389 |
| Inventory | $13,487 | $8,324 | $20,657 | $4,059 |
| Total Current Assets | $44,133 | $55,532 | $67,799 | $67,218 |
| Plant and equipment | $162,696 | $218,760 | $123,260 | $215,500 |
| Accumulated Depreciation | ($60,952) | ($70,400) | ($49,504) | ($77,471) |
| Total Fixed Assets | $101,744 | $148,360 | $73,756 | $138,029 |
| **Total Assets** | $145,876 | $203,892 | $141,555 | $205,247 |
| Accounts Payable | $7,940 | $7,257 | $10,159 | $7,622 |
| Current Debt | $11,300 | $33,255 | $30,661 | $41,485 |
| Long Term Debt | $40,909 | $82,760 | $28,150 | $85,529 |
| Total Liabilities | $60,149 | $123,272 | $68,970 | $134,636 |
| Common Stock | $12,081 | $37,278 | $11,159 | $37,118 |
| Retained Earnings | $73,647 | $43,342 | $61,425 | $33,493 |
| Total Equity | $85,728 | $80,620 | $72,584 | $70,610 |
| **Total Liabilities & Owners' Equity** | $145,876 | $203,892 | $141,555 | $205,247 |
|  | | | | |
| **Income Statement Survey** | **Andrews** | **Baldwin** | **Chester** | **Digby** |
| Sales | $160,548 | $140,706 | $177,077 | $150,730 |
| Variable Costs (Labor, Material, Carry) | $103,314 | $92,239 | $117,533 | $101,267 |
| Depreciation | $10,846 | $13,224 | $8,217 | $14,367 |
| SGA (R&D, Promo, Sales, Admin) | $16,350 | $17,054 | $12,288 | $13,703 |
| Other (Fees, Writeoffs, TQM, Bonuses) | $9,335 | $2,672 | $7,298 | $7,413 |
| EBIT | $20,703 | $15,518 | $31,741 | $13,981 |
| Interest (Short term, Long term) | $5,654 | $14,267 | $6,356 | $15,859 |
| Taxes | $5,267 | $438 | $8,885 | ($657) |
| Profit Sharing | $196 | $16 | $330 | $0 |
| Net Profit | $9,586 | $797 | $16,170 | ($1,221) |
|  | | | | |
| ***COMP-XM® INQUIRER*** | **Page 3** | | | |

**Production Analysis** Efren Escoto

Round: 2

December 31, 2015

##### Production Information

Unit

2nd Shift

&

Auto

mation Capacity

Primary

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Segment | Sold | tory | Revision Date | Dec.31 | MTBF | Coord | Coord | Price | Cost | Cost | Marg. | time | Round | Round | Utiliz. |
| Ark | Elite | 1,059 | 0 | 8/30/2015 | 1.3 | 26000 | 14.7 | 7.9 | $40.00 | $14.72 | $10.13 | 38% | 50% | 5.5 | 914 | 148% |
| Able | Thrift | 1,356 | 0 | 11/19/2015 | 2.1 | 20000 | 7.3 | 12.6 | $21.00 | $7.91 | $5.38 | 34% | 0% | 8.5 | 930 | 92% |
| Acre | Core | 1,666 | 604 | 12/3/2015 | 1.3 | 20000 | 10.2 | 9.9 | $26.50 | $10.25 | $5.60 | 35% | 9% | 7.6 | 1,800 | 108% |
| Awe | Nano | 1,248 | 150 | 11/18/2015 | 1.2 | 22000 | 12.2 | 5.3 | $36.50 | $13.66 | $10.01 | 35% | 44% | 5.5 | 1,228 | 142% |
| Buzz | Thrift | 1,335 | 113 | 12/19/2016 | 3.5 | 14000 | 7.0 | 13.2 | $18.00 | $6.26 | $2.33 | 50% | 0% | 9.5 | 1,250 | 91% |
| Brat | Core | 2,091 | 34 | 12/7/2014 | 2.1 | 16000 | 9.4 | 10.8 | $20.00 | $9.01 | $5.18 | 27% | 30% | 8.0 | 1,500 | 129% |
| Baker | Nano | 1,022 | 164 | 12/17/2015 | 1.0 | 18000 | 12.1 | 5.7 | $30.00 | $13.17 | $6.50 | 35% | 31% | 6.0 | 850 | 130% |
| Bead | Elite | 841 | 175 | 12/18/2015 | 1.0 | 20000 | 14.9 | 7.9 | $34.00 | $14.05 | $7.37 | 37% | 13% | 6.0 | 850 | 111% |
| Bid | Core | 743 | 0 | 4/1/2015 | 0.8 | 16000 | 10.0 | 10.2 | $21.00 | $9.54 | $5.78 | 26% | 100% | 7.0 | 1,040 | 149% |
| Bold |  | 0 | 0 | 2/10/2016 | 0.0 | 0 | 0.0 | 0.0 | $0.00 | $0.00 | $0.00 | 0% | 0% | 7.0 | 600 | 0% |
| Cute | Nano | 1,561 | 23 | 12/3/2015 | 1.3 | 23000 | 12.0 | 6.2 | $32.00 | $13.96 | $9.33 | 30% | 100% | 6.0 | 900 | 198% |
| Crimp | Elite | 880 | 235 | 1/4/2015 | 2.4 | 25000 | 15.2 | 7.7 | $35.00 | $15.32 | $8.73 | 28% | 50% | 6.5 | 850 | 149% |
| Cake | Nano | 1,256 | 302 | 9/19/2015 | 1.2 | 23000 | 13.1 | 5.0 | $37.00 | $14.96 | $8.13 | 36% | 59% | 6.0 | 1,000 | 157% |
| Cedar | Elite | 1,279 | 320 | 8/17/2015 | 1.2 | 25000 | 15.0 | 7.2 | $39.00 | $15.41 | $7.97 | 38% | 47% | 6.0 | 1,150 | 146% |
| Dug | Thrift | 2,216 | 0 | 4/11/2015 | 2.7 | 17000 | 7.8 | 12.4 | $17.00 | $7.76 | $3.93 | 31% | 100% | 9.0 | 1,450 | 198% |
| Drat | Thrift | 2,310 | 0 | 4/11/2015 | 2.6 | 17000 | 8.0 | 12.2 | $17.00 | $7.94 | $3.81 | 30% | 72% | 9.0 | 1,600 | 170% |
| Deal | Core | 1,390 | 141 | 12/16/2015 | 1.1 | 18000 | 10.9 | 8.7 | $25.00 | $11.07 | $4.49 | 37% | 29% | 8.0 | 1,050 | 127% |
| Dell | Core | 1,561 | 113 | 12/18/2015 | 1.1 | 20000 | 11.6 | 9.2 | $25.00 | $11.75 | $4.33 | 34% | 16% | 8.0 | 1,250 | 115% |

Units

Inven

Age

Pfmn

Size

Material

Labor

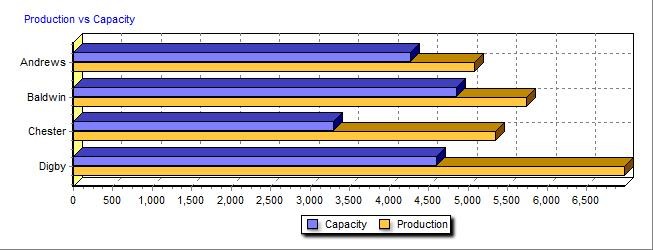
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Next

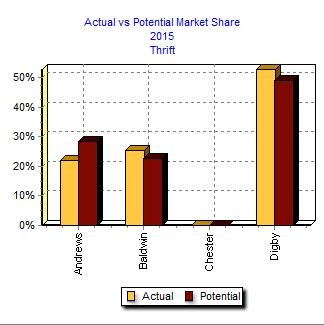
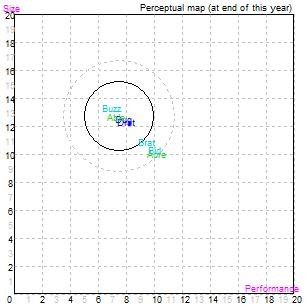
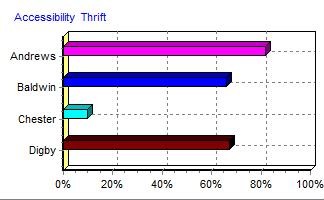
Next

Plant



***COMP-XM® INQUIRER* Page 4**

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**Thrift Market Segment Analysis** Efren Escoto

Round: 2

December 31, 2015

##### Thrift Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 6,293 |
| Actual Industry Unit Sales | 6,293 |
| Segment % of Total Industry | 26.4% |

Next Year's Segment Growth Rate 11.0%

##### Thrift Customer Buying Criteria

|  |  |  |  |
| --- | --- | --- | --- |
|  | | *Expectations* | *Importance* |
| 1. | Price | $14.00 - 26.00 | 55% |
| 2. | Reliability | MTBF 14000-20000 | 20% |
| 3. | Ideal Position | Pfmn 7.5 Size 12.7 | 15% |
| 4. | Age | Ideal Age = 3.0 | 10% |

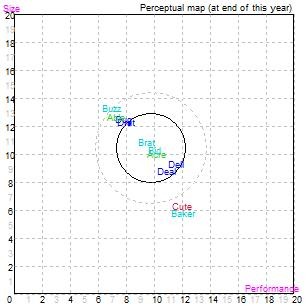
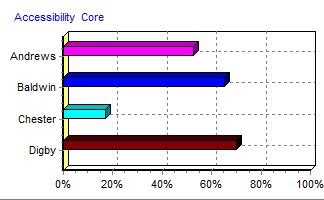
**Perceptual Map for Thrift Segment**

**Top Products in Thrift Segment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Drat | 26% | 1,664 | 4/11/2015 | YES | 8.0 | 12.2 | $17.00 | 17000 | 2.64 | $1,200 | 74% | $1,100 | 67% | 42 |
| Dug | 26% | 1,650 | 4/11/2015 | YES | 7.8 | 12.4 | $17.00 | 17000 | 2.74 | $1,200 | 73% | $1,100 | 67% | 44 |
| Buzz | 18% | 1,142 | 12/19/2016 |  | 7.0 | 13.2 | $18.00 | 14000 | 3.48 | $1,050 | 61% | $1,000 | 66% | 26 |
| Able | 18% | 1,133 | 11/19/2015 | YES | 7.3 | 12.6 | $21.00 | 20000 | 2.09 | $1,400 | 91% | $2,000 | 82% | 44 |
| Brat | 7% | 428 | 12/7/2014 |  | 9.4 | 10.8 | $20.00 | 16000 | 2.11 | $1,050 | 61% | $1,000 | 66% | 14 |
| Acre | 4% | 249 | 12/3/2015 |  | 10.2 | 9.9 | $26.50 | 20000 | 1.35 | $1,200 | 82% | $1,000 | 82% | 1 |
| Bid | 0% | 28 | 4/1/2015 | YES | 10.0 | 10.2 | $21.00 | 16000 | 0.75 | $1,050 | 48% | $900 | 66% | 3 |

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**Core Market Segment Analysis** Efren Escoto

Round: 2

December 31, 2015

##### Core Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 8,089 |
| Actual Industry Unit Sales | 8,089 |
| Segment % of Total Industry | 34.0% |

Next Year's Segment Growth Rate 10.0%

##### Core Customer Buying Criteria

|  |  |  |  |
| --- | --- | --- | --- |
|  | | *Expectations* | *Importance* |
| 1. | Price | $20.00 - 32.00 | 46% |
| 2. | Age | Ideal Age = 2.0 | 20% |
| 3. | Reliability | MTBF 16000-22000 | 18% |
| 4. | Ideal Position | Pfmn 10.2 Size 10.0 | 16% |

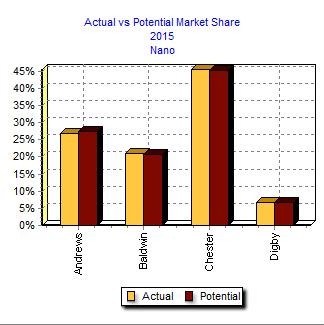
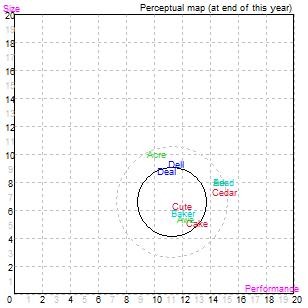
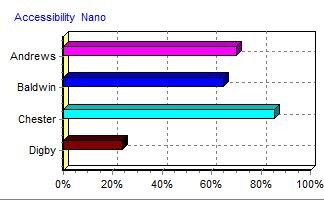
**Perceptual Map for Core Segment**

**Top Products in Core Segment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Brat | 21% | 1,663 | 12/7/2014 |  | 9.4 | 10.8 | $20.00 | 16000 | 2.11 | $1,050 | 61% | $1,000 | 65% | 38 |
| Dell | 17% | 1,348 | 12/18/2015 |  | 11.6 | 9.2 | $25.00 | 20000 | 1.10 | $1,200 | 73% | $900 | 70% | 30 |
| Acre | 17% | 1,339 | 12/3/2015 |  | 10.2 | 9.9 | $26.50 | 20000 | 1.35 | $1,200 | 82% | $1,000 | 53% | 35 |
| Deal | 15% | 1,194 | 12/16/2015 |  | 10.9 | 8.7 | $25.00 | 18000 | 1.09 | $1,200 | 73% | $900 | 70% | 26 |
| Bid | 9% | 715 | 4/1/2015 | YES | 10.0 | 10.2 | $21.00 | 16000 | 0.75 | $1,050 | 48% | $900 | 65% | 33 |
| Drat | 8% | 646 | 4/11/2015 | YES | 8.0 | 12.2 | $17.00 | 17000 | 2.64 | $1,200 | 74% | $1,100 | 70% | 18 |
| Dug | 7% | 567 | 4/11/2015 | YES | 7.8 | 12.4 | $17.00 | 17000 | 2.74 | $1,200 | 73% | $1,100 | 70% | 14 |
| Able | 3% | 223 | 11/19/2015 | YES | 7.3 | 12.6 | $21.00 | 20000 | 2.09 | $1,400 | 91% | $2,000 | 53% | 20 |
| Cute | 2% | 201 | 12/3/2015 |  | 12.0 | 6.2 | $32.00 | 23000 | 1.35 | $1,300 | 82% | $900 | 17% | 0 |
| Buzz | 2% | 193 | 12/19/2016 |  | 7.0 | 13.2 | $18.00 | 14000 | 3.48 | $1,050 | 61% | $1,000 | 65% | 0 |

***COMP-XM® INQUIRER* Page 6**

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**Nano Market Segment Analysis** Efren Escoto

Round: 2

December 31, 2015

##### Nano Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 4,747 |
| Actual Industry Unit Sales | 4,747 |
| Segment % of Total Industry | 19.9% |

Next Year's Segment Growth Rate 14.0%

##### Nano Customer Buying Criteria

|  |  |  |  |
| --- | --- | --- | --- |
|  | | *Expectations* | *Importance* |
| 1. | Ideal Position | Pfmn 12.1 Size 5.5 | 35% |
| 2. | Price | $28.00 - 40.00 | 27% |
| 3. | Age | Ideal Age = 1.0 | 20% |
| 4. | Reliability | MTBF 18000-24000 | 18% |

**Perceptual Map for Nano Segment**

**Top Products in Nano Segment**

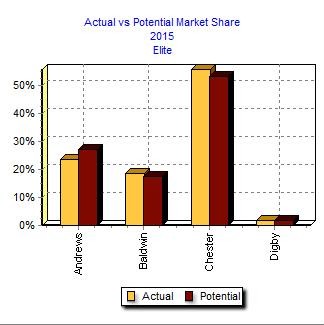
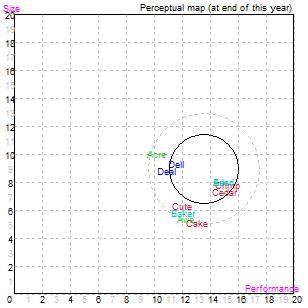
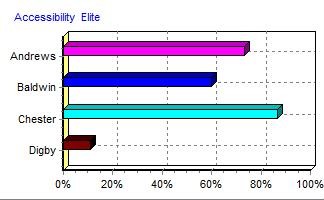
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Cake | 23% | 1,080 | 9/19/2015 |  | 13.1 | 5.0 | $37.00 | 23000 | 1.20 | $1,300 | 82% | $800 | 85% | 45 |
| Awe | 22% | 1,035 | 11/18/2015 |  | 12.2 | 5.3 | $36.50 | 22000 | 1.22 | $1,500 | 95% | $1,100 | 70% | 49 |
| Cute | 20% | 939 | 12/3/2015 |  | 12.0 | 6.2 | $32.00 | 23000 | 1.35 | $1,300 | 82% | $900 | 85% | 64 |
| Baker | 17% | 829 | 12/17/2015 |  | 12.1 | 5.7 | $30.00 | 18000 | 1.04 | $1,050 | 61% | $900 | 65% | 41 |
| Ark | 4% | 187 | 8/30/2015 | YES | 14.7 | 7.9 | $40.00 | 26000 | 1.30 | $1,300 | 86% | $1,200 | 70% | 4 |
| Deal | 4% | 167 | 12/16/2015 |  | 10.9 | 8.7 | $25.00 | 18000 | 1.09 | $1,200 | 73% | $900 | 24% | 8 |
| Bead | 3% | 165 | 12/18/2015 |  | 14.9 | 7.9 | $34.00 | 20000 | 1.05 | $1,050 | 61% | $1,500 | 65% | 2 |
| Dell | 3% | 156 | 12/18/2015 |  | 11.6 | 9.2 | $25.00 | 20000 | 1.10 | $1,200 | 73% | $900 | 24% | 9 |
| Cedar | 3% | 139 | 8/17/2015 |  | 15.0 | 7.2 | $39.00 | 25000 | 1.24 | $1,300 | 81% | $800 | 85% | 4 |
| Acre | 1% | 51 | 12/3/2015 |  | 10.2 | 9.9 | $26.50 | 20000 | 1.35 | $1,200 | 82% | $1,000 | 70% | 7 |

***COMP-XM® INQUIRER* Page 7**

**Elite Market Segment Analysis** Efren Escoto

Round: 2

December 31, 2015



##### Elite Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 4,684 |
| Actual Industry Unit Sales | 4,684 |
| Segment % of Total Industry | 19.7% |

Next Year's Segment Growth Rate 16.0%

##### Elite Customer Buying Criteria

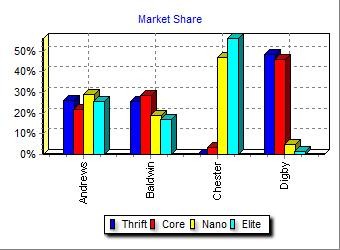
|  |  |  |  |
| --- | --- | --- | --- |
|  | | *Expectations* | *Importance* |
| 1. | Age | Ideal Age = 0.0 | 34% |
| 2. | Price | $30.00 - 42.00 | 24% |
| 3. | Ideal Position | Pfmn 14.7 Size 8.1 | 22% |
| 4. | Reliability | MTBF 20000-26000 | 20% |

**Perceptual Map for Elite Segment**

**Top Products in Elite Segment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Cedar | 24% | 1,139 | 8/17/2015 |  | 15.0 | 7.2 | $39.00 | 25000 | 1.24 | $1,300 | 81% | $800 | 87% | 41 |
| Crimp | 19% | 880 | 1/4/2015 |  | 15.2 | 7.7 | $35.00 | 25000 | 2.45 | $1,300 | 82% | $900 | 87% | 36 |
| Ark | 19% | 872 | 8/30/2015 | YES | 14.7 | 7.9 | $40.00 | 26000 | 1.30 | $1,300 | 86% | $1,200 | 73% | 42 |
| Bead | 14% | 677 | 12/18/2015 |  | 14.9 | 7.9 | $34.00 | 20000 | 1.05 | $1,050 | 61% | $1,500 | 60% | 30 |
| Cute | 9% | 421 | 12/3/2015 |  | 12.0 | 6.2 | $32.00 | 23000 | 1.35 | $1,300 | 82% | $900 | 87% | 18 |
| Awe | 5% | 213 | 11/18/2015 |  | 12.2 | 5.3 | $36.50 | 22000 | 1.22 | $1,500 | 95% | $1,100 | 73% | 2 |
| Baker | 4% | 194 | 12/17/2015 |  | 12.1 | 5.7 | $30.00 | 18000 | 1.04 | $1,050 | 61% | $900 | 60% | 4 |
| Cake | 4% | 176 | 9/19/2015 |  | 13.1 | 5.0 | $37.00 | 23000 | 1.20 | $1,300 | 82% | $800 | 87% | 1 |
| Dell | 1% | 57 | 12/18/2015 |  | 11.6 | 9.2 | $25.00 | 20000 | 1.10 | $1,200 | 73% | $900 | 11% | 3 |
| Deal | 1% | 29 | 12/16/2015 |  | 10.9 | 8.7 | $25.00 | 18000 | 1.09 | $1,200 | 73% | $900 | 11% | 1 |
| Acre | 1% | 27 | 12/3/2015 |  | 10.2 | 9.9 | $26.50 | 20000 | 1.35 | $1,200 | 82% | $1,000 | 73% | 3 |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Market Share Report** | | |  | | |  | Efren Escoto | Round: 2  December 31, 2015 | |
|  | | | | | | | | | |
|  |  | | |  |  | | | |  |
|  | | | | | | | | | |
|  | | **Actual Market Share in Units** |  | | |  | **Potential Market Share in Units** |  | |
|  | | **Thrift Core Nano Elite** | **Total** | | |  | **Thrift Core Nano Elite** | **Total** | |
| Industry Unit | |  |  | | | Units |  |  | |
| Sales | | 6,293 8,089 4,747 4,684 | 23,814 | | | Demanded | 6,293 8,089 4,747 4,684 | 23,814 | |
| % of Market | | 26.4% 34.0% 19.9% 19.7% | 100.0% | | | % of Market | 26.4% 34.0% 19.9% 19.7% | 100.0% | |
| Ark | | 3.9% 18.6% | 4.5% | | | Ark | 4.7% 22.3% | 5.3% | |
| Able | | 18.0% 2.8% | 5.7% | | | Able | 24.8% 3.8% | 7.8% | |
| Acre | | 4.0% 16.6% 1.1% 0.6% | 7.0% | | | Acre | 3.6% 15.8% 1.1% 0.5% | 6.6% | |
| Awe | | 21.8% 4.5% | 5.2% | | | Awe | 21.6% 4.3% | 5.2% | |
| Total | | 22.0% 19.3% 26.8% 23.7% | 22.4% | | | Total | 28.4% 19.6% 27.3% 27.2% | 25.0% | |
| Buzz | | 18.1% 2.4% | 5.6% | | | Buzz | 16.1% 2.3% | 5.1% | |
| Brat | | 6.8% 20.6% | 8.8% | | | Brat | 5.8% 19.7% | 8.2% | |
| Baker | | 17.4% 4.1% | 4.3% | | | Baker | 17.3% 3.9% | 4.2% | |
| Bead | | 3.5% 14.4% | 3.5% | | | Bead | 3.4% 13.8% | 3.4% | |
| Bid | | 0.4% 8.8% | 3.1% | | | Bid | 0.6% 11.5% | 4.1% | |
| Total | | 25.4% 31.8% 20.9% 18.6% | 25.3% | | | Total | 22.6% 33.5% 20.7% 17.7% | 25.0% | |
| Cute | | 2.5% 19.8% 9.0% | 6.5% | | | Cute | 2.4% 19.8% 8.7% | 6.5% | |
| Crimp | | 18.8% | 3.7% | | | Crimp | 17.9% | 3.5% | |
| Cake | | 22.7% 3.8% | 5.3% | | | Cake | 22.5% 3.6% | 5.2% | |
| Cedar | | 2.9% 24.3% | 5.4% | | | Cedar | 2.9% 23.1% | 5.1% | |
| Total | | 2.5% 45.5% 55.9% | 20.9% | | | Total | 2.4% 45.2% 53.3% | 20.3% | |
| Dug | | 26.2% 7.0% | 9.3% | | | Dug | 24.8% 6.8% | 8.9% | |
| Drat | | 26.4% 8.0% | 9.7% | | | Drat | 24.2% 7.7% | 9.0% | |
| Deal | | 14.8% 3.5% 0.6% | 5.8% | | | Deal | 14.1% 3.5% 0.6% | 5.6% | |
| Dell | | 16.7% 3.3% 1.2% | 6.6% | | | Dell | 15.9% 3.3% 1.2% | 6.3% | |
| Total | | 52.7% 46.4% 6.8% 1.8% | 31.4% | | | Total | 49.0% 44.5% 6.7% 1.8% | 29.7% | |
|  | | | | | | | | | |
| ***COMP-XM® INQUIRER* Page 9** | | | | | | | | | |

**Perceptual Map** Efren Escoto

Round: 2

December 31, 2015

##### Perceptual Map for All Segments

**Andrews**

###### Name Pfmn Size Revised

Ark 14.7 7.9 8/30/2015

Able 7.3 12.6 11/19/2015

Acre 10.2 9.9 12/3/2015

Awe 12.2 5.3 11/18/2015

##### Digby

###### Name Pfmn Size Revised

Dug 7.8 12.4 4/11/2015

Drat 8.0 12.2 4/11/2015

Deal 10.9 8.7 12/16/2015

Dell 11.6 9.2 12/18/2015

##### Baldwin

###### Name Pfmn Size Revised

Buzz 7.0 13.2 12/19/2016

Brat 9.4 10.8 12/7/2014

Baker 12.1 5.7 12/17/2015

Bead 14.9 7.9 12/18/2015

Bid 10.0 10.2 4/1/2015

##### Chester

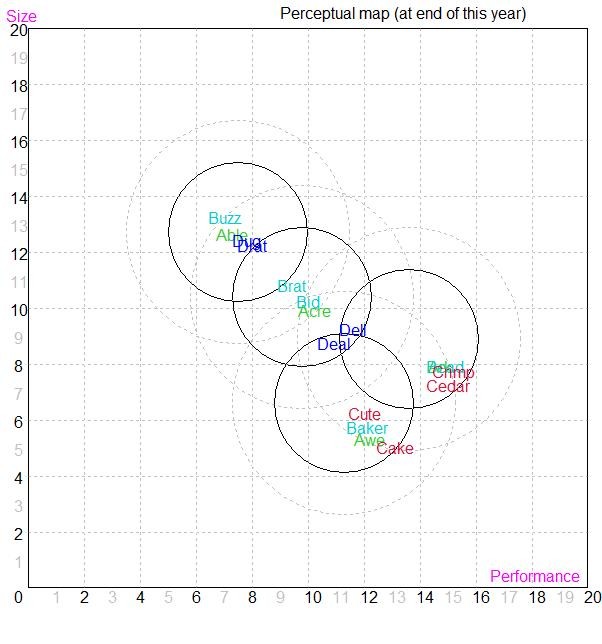
###### Name Pfmn Size Revised

Cute 12.0 6.2 12/3/2015

Crimp 15.2 7.7 1/4/2015

Cake 13.1 5.0 9/19/2015

Cedar 15.0 7.2 8/17/2015



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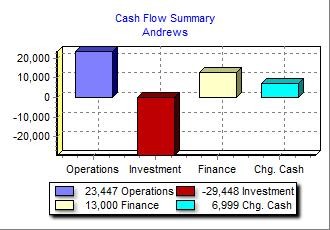


|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **HR/TQM Report** | |  |  |  | Efren Escoto December Round: 2 |
|  | | | | | |
|  | **HUMAN RESOURCES SUMMARY** | | | |  |
|  | | | | | |
| Needed Complement | | Andrews | Baldwin | Chester | Digby |
| 629 | 489 | 662 | 430 |
| Complement | | 629 | 489 | 662 | 430 |
| 1st Shift Complement | | 496 | 383 | 403 | 288 |
| 2nd Shift Complement | | 133 | 106 | 259 | 142 |
| Overtime% | | 0.0% | 0.0% | 0.0% | 0.0% |
| Turnover Rate | | 7.0% | 6.3% | 10.0% | 8.0% |
| New Employees | | 44 | 89 | 145 | 34 |
| Separated Employees | | 69 | 0 | 0 | 182 |
| Recruiting Spend | | $150 | $5,000 | $0 | $2,500 |
| Training Hours | | 80 | 80 | 0 | 40 |
| Productivity Index | | 104.6% | 124.2% | 100.0% | 113.9% |
| Recruiting Cost | | $51 | $537 | $145 | $121 |
| Separation Cost | | $345 | $0 | $0 | $912 |
| Training Cost | | $1,006 | $782 | $0 | $344 |
| Total HR Admin Cost | | $1,402 | $1,319 | $145 | $1,377 |
| **Labor Contract Next Year** | |  |  |  |  |
| Wages | | $28.15 | $28.15 | $28.15 | $28.15 |
| Benefits | | 2,500 | 2,500 | 2,500 | 2,500 |
| Profit Sharing | | 2.0% | 2.0% | 2.0% | 2.0% |
| Annual Raise | | 5.0% | 5.0% | 5.0% | 5.0% |
| **Starting Negotiation Position** | |
| Wages | |
| Benefits | |
| Profit Sharing | |
| Annual Raise | |
| **Ceiling Negotiation Position** | |
| Wages | |
| Benefits | |
| Profit Sharing | |
| Annual Raise | |
| **Adjusted Labor Demands** | |
| Wages | |
| Benefits | |
| Profit Sharing | |
| Annual Raise | |
| Strike Days | |
|  | | | | | |
| **TQM SUMMARY** | | | | | |
|  | | | | | |
| **Process Mgt Budgets Last Year** | | Andrews | Baldwin | Chester | Digby |
|  |  |  |  |
| CPI Systems | | $1,200 | $0 | $0 | $1,250 |
| Vendor/JIT | | $2,000 | $0 | $0 | $1,250 |
| Quality Initiative Training | | $800 | $0 | $1,250 | $0 |
| Channel Support Systems | | $500 | $0 | $1,250 | $1,500 |
| Concurrent Engineering | | $300 | $0 | $1,250 | $0 |
| UNEP Green Programs | | $1,000 | $0 | $0 | $0 |
| **TQM Budgets Last Year** | |  |  |  |  |
| Benchmarking | | $100 | $0 | $0 | $0 |
| Quality Function Deployment Effort | | $1,800 | $0 | $0 | $0 |
| CCE/6 Sigma Training | | $1,800 | $0 | $1,250 | $750 |
| GEMI TQEM Sustainability Initiatives | | $150 | $0 | $1,250 | $750 |
| Total Expenditures | | $9,650 | $0 | $6,250 | $5,500 |
| **Cumulative Impacts** | |  |  |  |  |
| Material Cost Reduction | | 6.51% | 0.00% | 2.92% | 1.40% |
| Labor Cost Reduction | | 5.12% | 0.00% | 11.25% | 0.33% |
| Reduction R&D Cycle Time | | 4.06% | 0.00% | 32.13% | 0.00% |
| Reduction Admin Costs | | 24.11% | 0.00% | 0.00% | 3.25% |
| Demand Increase | | 2.04% | 0.00% | 4.56% | 1.16% |
|  | | | | | |
| ***COMP-XM® INQUIRER*** | | **Page 11** | | | |

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***Annual Report***

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***Annual Report* Andrews C59559**

## Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position. **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $17,450 |  | **2015**  Common  Size 12.0% | **2014**  $10,451 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $13,196 |  | 9.0% | $12,109 |
| value of your inventory across all products. A zero indicates | **Inventory** | $13,487 |  | 9.2% | $18,584 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $44,133 | 30.3% | $41,144 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $162,696 |  | 111.5% | $135,628 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($60,952) |  | -41.8% | ($53,451) |
| obligated to pay during the next year of operations. It includes emergency loans used to keep your company | Total Fixed Assets |  | $101,744 | 69.7% | $82,177 |
| solvent should you run out of cash during the year. **Long**  **Term Debt**: The company's long term debt is in the form of | Total Assets |  | $145,876 | 100.0% | $123,321 |
| **Common Stock**: The amount of capital invested by | **LIABILITIES & OWNERS' EQUITY** |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to | **Accounts Payable** | $7,940 |  | 5.4% | $7,970 |
| shareholders as dividends. | **Current Debt** | $11,300 |  | 7.7% | $0 |
|  | **Long Term Debt** | $40,909 |  | 28.0% | $39,209 |
|  | Total Liabilities |  | $60,149 | 41.2% | $47,179 |
|  | **Common Stock** | $12,081 |  | 8.3% | $12,081 |
|  | **Retained Earnings** | $73,647 |  | 50.5% | $64,060 |
|  | Total Equity |  | $85,728 | 58.8% | $76,141 |
|  | Total Liab. & O. Equity |  | $145,876 | 100.0% | $123,321 |

**Round: 2**

**Dec**

**. 31, 2015**

your company stocked out. Unmet demand would, of

bonds, and this represents the total value of your bonds.

## Cash Flow Statement

The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2015 2014**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and

Net Income (Loss) $9,586 $4,740

Depreciation $10,846 $9,042

Extraordinary gains/losses/writeoffs ($965) $0

Accounts Payable ($31) ($1,546)

Inventory $5,097 $6,948

Accounts Receivable ($1,087) $1,347

Net cash from operations $23,447 $20,531

###### Cash Flows from Investing Activities:

Plant Improvements ($29,448) ($38,804)

###### Cash Flows from Financing Activities:

Dividends Paid $0 $0

Sales of Common Stock $0 $0

Purchase of Common Stock $0 $0

Cash from long term debt $13,000 $12,000

Retirement of long term debt ($11,300) $0

Change in current debt (net) $11,300 ($15,717)

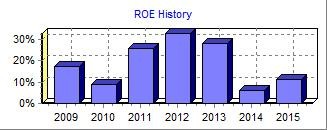
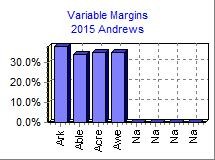
Net cash from financing activities $13,000 ($3,717)

**Net change in cash position** $6,999 ($21,990)

**Closing cash position** $17,450 $10,451

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**2015 Income Statement**

**Round: 2**

**Dec**

**. 31, 2015**

(Product Name:) Ark Able Acre Awe Na Na

**Sales** $42,379 $28,472 $44,159 $45,538 $0 $0

###### Variable Costs:

Direct Labor $10,730 $8,244 $10,678 $12,510 $0 $0 Direct Material $15,509 $10,532 $16,819 $16,674 $0 $0 Inventory Carry $0 $0 $1,197 $422 $0 $0 Total Variable $26,239 $18,776 $28,693 $29,606 $0 $0

2015

Common

Contribution Margin $16,140 $9,696 $15,466 $15,932 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $160,548 | Size 100.0% |
| $42,162 | 26.3% |
| $59,533 | 37.1% |
| $1,618 | 1.0% |
| $103,314 | 64.4% |
| $57,234 | 35.6% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $1,706 $2,480 $4,368 $2,292 $0 $0 $0 $0 $10,846 6.8% SG&A: R&D $672 $895 $935 $893 $0 $0 $0 $0 $3,395 2.1%

Promotions $1,300 $1,400 $1,200 $1,500 $0 $0 $0 $0 $5,400 3.4% Sales $1,200 $2,000 $1,000 $1,100 $0 $0 $0 $0 $5,300 3.3%

Admin $595 $400 $620 $640 $0 $0 $0 $0 $2,255 1.4% Total Period $5,474 $7,175 $8,123 $6,425 $0 $0 $0 $0 $27,196 16.9%

Net Margin $10,667 $2,521 $7,343 $9,507 $0 $0 $0 $0 $30,038 18.7%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $9,335 5.8%

EBIT $20,703 12.9%

Short Term Interest $1,085 0.7%

LongTerm Interest $4,569 2.8%

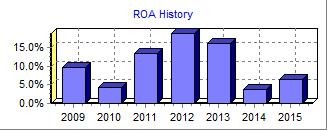
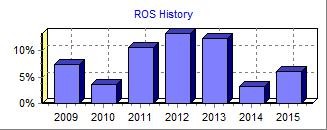
Taxes $5,267 3.3%

Profit Sharing $196 0.1%

Net Profit $9,586 6.0%

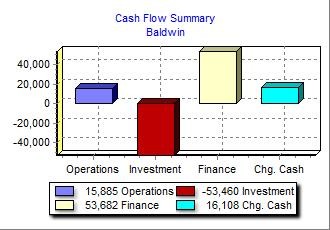
|  |  |
| --- | --- |
|  |  |
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## Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position. **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $35,643 |  | **2015**  Common  Size 17.5% | **2014**  $19,535 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $11,565 |  | 5.7% | $9,617 |
| value of your inventory across all products. A zero indicates | **Inventory** | $8,324 |  | 4.1% | $11,272 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $55,532 | 27.2% | $40,424 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $218,760 |  | 107.3% | $165,300 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($70,400) |  | -34.5% | ($57,176) |
| obligated to pay during the next year of operations. It includes emergency loans used to keep your company | Total Fixed Assets |  | $148,360 | 72.8% | $108,124 |
| solvent should you run out of cash during the year. **Long**  **Term Debt**: The company's long term debt is in the form of | Total Assets |  | $203,892 | 100.0% | $148,549 |
| **Common Stock**: The amount of capital invested by | **LIABILITIES & OWNERS' EQUITY** |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to | **Accounts Payable** | $7,257 |  | 3.6% | $6,393 |
| shareholders as dividends. | **Current Debt** | $33,255 |  | 16.3% | $21,710 |
|  | **Long Term Debt** | $82,760 |  | 40.6% | $59,157 |
|  | Total Liabilities |  | $123,272 | 60.5% | $87,260 |
|  | **Common Stock** | $37,278 |  | 18.3% | $18,743 |
|  | **Retained Earnings** | $43,342 |  | 21.3% | $42,545 |
|  | Total Equity |  | $80,620 | 39.5% | $61,288 |
|  | Total Liab. & O. Equity |  | $203,892 | 100.0% | $148,549 |

**Round: 2**

**Dec**

**. 31, 2015**

your company stocked out. Unmet demand would, of

bonds, and this represents the total value of your bonds.

## Cash Flow Statement

The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2015 2014**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and

Net Income (Loss) $797 $3,733

Depreciation $13,224 $9,887

Extraordinary gains/losses/writeoffs $0 $0

Accounts Payable $864 $596

Inventory $2,948 ($3,891)

Accounts Receivable ($1,947) $132

Net cash from operations $15,885 $10,456

###### Cash Flows from Investing Activities:

Plant Improvements ($53,460) ($40,900)

###### Cash Flows from Financing Activities:

Dividends Paid $0 $0

Sales of Common Stock $18,534 $4,365 Purchase of Common Stock $0 $0

Cash from long term debt $34,903 $17,789

Retirement of long term debt ($11,300) $0

Change in current debt (net) $11,545 ($3,812)

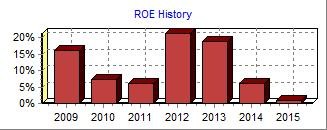
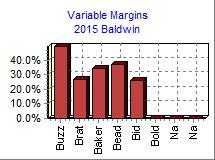
Net cash from financing activities $53,682 $18,341

**Net change in cash position** $16,108 ($12,103)

**Closing cash position** $35,643 $19,535

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***Annual Report* Baldwin C59559**

**2015 Income Statement**

**Round: 2**

**Dec**

**. 31, 2015**

(Product Name:) Buzz Brat Baker Bead Bid Bold

**Sales** $24,021 $41,814 $30,671 $28,604 $15,596 $0

###### Variable Costs:

Direct Labor $3,226 $10,918 $6,591 $6,158 $4,293 $0 Direct Material $8,780 $19,508 $13,065 $11,420 $7,281 $0 Inventory Carry $122 $60 $379 $438 $0 $0 Total Variable $12,128 $30,486 $20,035 $18,017 $11,574 $0

2015

Common

Contribution Margin $11,893 $11,329 $10,636 $10,587 $4,022 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $140,706 | Size 100.0% |
| $31,186 | 22.2% |
| $60,054 | 42.7% |
| $999 | 0.7% |
| $92,239 | 65.6% |
| $48,467 | 34.4% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $3,667 $3,800 $1,700 $1,700 $2,357 $0 $0 $0 $13,224 9.4% SG&A: R&D $1,000 $0 $973 $977 $250 $1,000 $0 $0 $4,200 3.0%

Promotions $1,050 $1,050 $1,050 $1,050 $1,050 $0 $0 $0 $5,250 3.7% Sales $1,000 $1,000 $900 $1,500 $900 $0 $0 $0 $5,300 3.8%

Admin $393 $685 $502 $468 $255 $0 $0 $0 $2,304 1.6% Total Period $7,110 $6,535 $5,125 $5,695 $4,813 $1,000 $0 $0 $30,278 21.5%

Net Margin $4,783 $4,794 $5,511 $4,892 ($791) ($1,000) $0 $0 $18,190 12.9%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $2,672 1.9%

EBIT $15,518 11.0%

Short Term Interest $3,891 2.8%

LongTerm Interest $10,376 7.4%

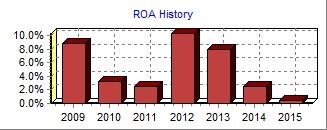
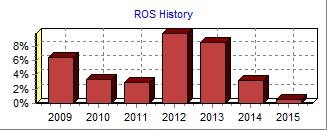
Taxes $438 0.3%

Profit Sharing $16 0.0%

Net Profit $797 0.6%

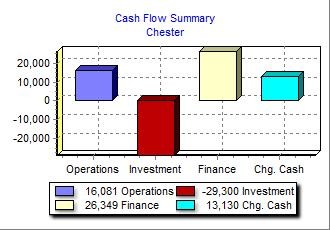
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***Annual Report***

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***Annual Report* Chester C59559**

## Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position. **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $32,587 |  | **2015**  Common  Size 23.0% | **2014**  $19,458 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $14,554 |  | 10.3% | $12,673 |
| value of your inventory across all products. A zero indicates | **Inventory** | $20,657 |  | 14.6% | $12,111 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $67,798 | 47.9% | $44,242 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $123,260 |  | 87.1% | $93,960 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($49,504) |  | -35.0% | ($41,287) |
| obligated to pay during the next year of operations. It includes emergency loans used to keep your company | Total Fixed Assets |  | $73,756 | 52.1% | $52,673 |
| solvent should you run out of cash during the year. **Long**  **Term Debt**: The company's long term debt is in the form of | Total Assets |  | $141,555 | 100.0% | $96,915 |
| **Common Stock**: The amount of capital invested by | **LIABILITIES & OWNERS' EQUITY** |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to | **Accounts Payable** | $10,159 |  | 7.2% | $8,038 |
| shareholders as dividends. | **Current Debt** | $30,661 |  | 21.7% | $13,971 |
|  | **Long Term Debt** | $28,150 |  | 19.9% | $20,850 |
|  | Total Liabilities |  | $68,970 | 48.7% | $42,859 |
|  | **Common Stock** | $11,159 |  | 7.9% | $8,799 |
|  | **Retained Earnings** | $61,425 |  | 43.4% | $45,256 |
|  | Total Equity |  | $72,584 | 51.3% | $54,055 |
|  | Total Liab. & O. Equity |  | $141,555 | 100.0% | $96,915 |

**Round: 2**

**Dec**

**. 31, 2015**

your company stocked out. Unmet demand would, of

bonds, and this represents the total value of your bonds.

## Cash Flow Statement

The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2015 2014**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and

Net Income (Loss) $16,170 $13,022

Depreciation $8,217 $6,264

Extraordinary gains/losses/writeoffs $0 $0 Accounts Payable $2,121 $1,437

Inventory ($8,546) $4,720

Accounts Receivable ($1,881) ($2,832)

Net cash from operations $16,081 $22,611

###### Cash Flows from Investing Activities:

Plant Improvements ($29,300) ($9,580)

###### Cash Flows from Financing Activities:

Dividends Paid $0 ($6,494)

Sales of Common Stock $2,360 $0

Purchase of Common Stock $0 ($1,609)

Cash from long term debt $18,600 $1,378

Retirement of long term debt ($11,300) $0

Change in current debt (net) $16,689 ($4,473)

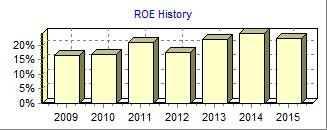
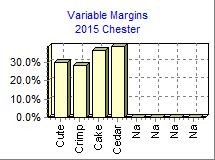
Net cash from financing activities $26,349 ($11,198)

**Net change in cash position** $13,130 $1,833

**Closing cash position** $32,587 $19,458

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***Annual Report* Chester C59559**

**2015 Income Statement**

**Round: 2**

**Dec**

**. 31, 2015**

(Product Name:) Cute Crimp Cake Cedar Na Na

**Sales** $49,950 $30,795 $46,457 $49,875 $0 $0

###### Variable Costs:

Direct Labor $14,571 $7,680 $10,285 $10,226 $0 $0 Direct Material $20,404 $13,769 $18,500 $19,618 $0 $0 Inventory Carry $63 $688 $832 $897 $0 $0 Total Variable $35,038 $22,137 $29,617 $30,741 $0 $0

2015

Common

Contribution Margin $14,912 $8,658 $16,840 $19,134 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $177,077 | Size 100.0% |
| $42,763 | 24.1% |
| $72,291 | 40.8% |
| $2,479 | 1.4% |
| $117,533 | 66.4% |
| $59,544 | 33.6% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $2,104 $1,813 $2,000 $2,300 $0 $0 $0 $0 $8,217 4.6% SG&A: R&D $934 $9 $727 $634 $0 $0 $0 $0 $2,304 1.3%

Promotions $1,300 $1,300 $1,300 $1,300 $0 $0 $0 $0 $5,200 2.9% Sales $900 $900 $800 $800 $0 $0 $0 $0 $3,400 1.9% Admin $390 $241 $363 $390 $0 $0 $0 $0 $1,384 0.8% Total Period $5,629 $4,263 $5,190 $5,423 $0 $0 $0 $0 $20,505 11.6%

Net Margin $9,283 $4,395 $11,650 $13,711 $0 $0 $0 $0 $39,039 22.0%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $7,298 4.1%

EBIT $31,741 17.9%

Short Term Interest $3,127 1.8%

LongTerm Interest $3,229 1.8%

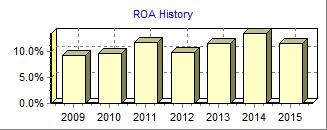
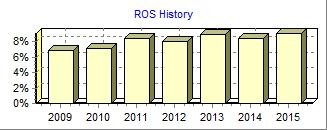
Taxes $8,885 5.0%

Profit Sharing $330 0.2%

Net Profit $16,170 9.1%

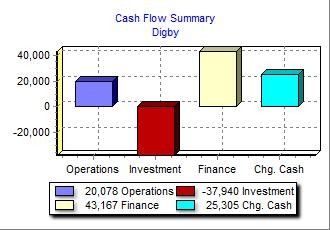
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***Annual Report* Digby C59559**

## Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position. **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $50,770 |  | **2015**  Common  Size 24.7% | **2014**  $25,465 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $12,389 |  | 6.0% | $12,483 |
| value of your inventory across all products. A zero indicates | **Inventory** | $4,059 |  | 2.0% | $12,101 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $67,218 | 32.7% | $50,049 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $215,500 |  | 105.0% | $177,560 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($77,471) |  | -37.7% | ($63,104) |
| obligated to pay during the next year of operations. It includes emergency loans used to keep your company | Total Fixed Assets |  | $138,029 | 67.3% | $114,456 |
| solvent should you run out of cash during the year. **Long**  **Term Debt**: The company's long term debt is in the form of | Total Assets |  | $205,247 | 100.0% | $164,505 |
| **Common Stock**: The amount of capital invested by | **LIABILITIES & OWNERS' EQUITY** |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to | **Accounts Payable** | $7,622 |  | 3.7% | $8,826 |
| shareholders as dividends. | **Current Debt** | $41,485 |  | 20.2% | $25,277 |
|  | **Long Term Debt** | $85,529 |  | 41.7% | $68,179 |
|  | Total Liabilities |  | $134,636 | 65.6% | $102,282 |
|  | **Common Stock** | $37,118 |  | 18.1% | $27,509 |
|  | **Retained Earnings** | $33,493 |  | 16.3% | $34,713 |
|  | Total Equity |  | $70,611 | 34.4% | $62,222 |
|  | Total Liab. & O. Equity |  | $205,247 | 100.0% | $164,505 |

**Round: 2**

**Dec**

**. 31, 2015**

your company stocked out. Unmet demand would, of

bonds, and this represents the total value of your bonds.

## Cash Flow Statement

The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2015 2014**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and

Net Income (Loss) ($1,221) $4,582

Depreciation $14,367 $11,837

Extraordinary gains/losses/writeoffs $0 $0 Accounts Payable ($1,204) $1,628

Inventory $8,042 ($2,107)

Accounts Receivable $95 ($1,636)

Net cash from operations $20,078 $14,304

###### Cash Flows from Investing Activities:

Plant Improvements ($37,940) ($34,660)

###### Cash Flows from Financing Activities:

Dividends Paid $0 $0

Sales of Common Stock $9,609 $2,840

Purchase of Common Stock $0 $0

Cash from long term debt $28,650 $14,263

Retirement of long term debt ($11,300) $0

Change in current debt (net) $16,208 ($4,005)

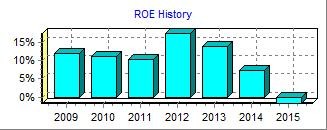
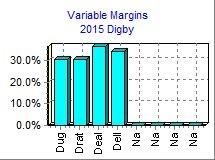
Net cash from financing activities $43,167 $13,098

**Net change in cash position** $25,305 ($7,259)

**Closing cash position** $50,770 $25,465

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***Annual Report* Digby C59559**

**2015 Income Statement**

**Round: 2**

**Dec**

**. 31, 2015**

(Product Name:) Dug Drat Deal Dell Na Na

**Sales** $37,677 $39,268 $34,752 $39,032 $0 $0

###### Variable Costs:

Direct Labor $8,795 $8,909 $6,705 $7,435 $0 $0 Direct Material $17,304 $18,460 $15,112 $18,059 $0 $0 Inventory Carry $0 $0 $265 $222 $0 $0 Total Variable $26,099 $27,370 $22,083 $25,716 $0 $0

2015

Common

Contribution Margin $11,578 $11,899 $12,670 $13,316 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $150,730 | Size 100.0% |
| $31,844 | 21.1% |
| $68,936 | 45.7% |
| $487 | 0.3% |
| $101,267 | 67.2% |
| $49,463 | 32.8% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $4,060 $4,480 $2,660 $3,167 $0 $0 $0 $0 $14,367 9.5% SG&A: R&D $279 $279 $970 $976 $0 $0 $0 $0 $2,505 1.7%

Promotions $1,200 $1,200 $1,200 $1,200 $0 $0 $0 $0 $4,800 3.2% Sales $1,100 $1,100 $900 $900 $0 $0 $0 $0 $4,000 2.7% Admin $599 $625 $553 $621 $0 $0 $0 $0 $2,398 1.6% Total Period $7,238 $7,684 $6,283 $6,864 $0 $0 $0 $0 $28,069 18.6%

Net Margin $4,340 $4,215 $6,387 $6,452 $0 $0 $0 $0 $21,394 14.2%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $7,413 4.9%

EBIT $13,981 9.3%

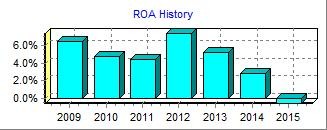
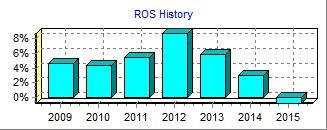
Short Term Interest $4,978 3.3%

LongTerm Interest $10,881 7.2%

Taxes ($657) -0.4%

Profit Sharing $0 0.0%

Net Profit ($1,221) -0.8%



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| --- | --- |
|  |  |
| ***Annual Report* Page 2** | |